

Message Text

UNCLASSIFIED

PAGE 01 MANILA 15259 310525Z
ACTION EA-12

INFO OCT-01 ISO-00 L-03 TRSE-00 EB-08 COME-00 H-02
/026 W

-----038140 010125Z /13

R 310521Z AUG 78
FM AMEMBASSY MANILA
TO SECSTATE WASHDC 0918

UNCLAS MANILA 15259

E.O. 11652: N/A
TAGS: EFIN, RP
SUBJECT: PHILIPPINE TAX ON CAPITAL GAINS FROM SALE OF
STOCK SHARES

REF: MANILA 14668

1. BEETHOVEN RUALO, OFFICE IN CHARGE OF THE DIRECT
TAX DIVISION, BUREAU OF INTERNAL REVENUE (BIR), HAS
CONFIRMED A RECENT PRESS REPORT ON A BIR DECISION WHICH
APPEARS TO RESOLVE THE PROBLEM CREATED BY PRESIDENTIAL
DECREE (PD) 1457. CAPITAL GAINS REALIZED FROM FOREIGN
SALE BY NON-RESIDENT ALIEN INVESTORS OF SHARES OF
STOCK OF DOMESTIC CORPORATIONS LISTED IN A FOREIGN
STOCK EXCHANGE CONTINUE TO BE TAX EXEMPT. RUALO SAID
THAT THE BIR HAS DECIDED THAT PD 1457 DOES NOT AMEND
SECTIONS OF THE TAX CODE WHICH EXPLICITLY EXEMPT FROM
INCOME TAX SUCH CAPITAL GAINS. HE EMPHASIZED THAT THE
EXEMPTION APPLIES ONLY TO STOCKS WHICH ARE LISTED
ON A FOREIGN EXCHANGE. HE SAID THAT THIS INTERPRETA-
TION WILL BE INCORPORATED IN BIR IMPLEMENTING REGULA-
TIONS WHICH ARE CURRENTLY BEING DRAFTED.

2. A COPY OF THE BIR PRESS RELEASE WILL BE POUCHED
TO EA/PHL. MURPHY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, TAXES, STOCKS (SECURITIES)
Control Number: n/a
Copy: SINGLE
Draft Date: 31 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MANILA15259
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780356-0966
Format: TEL
From: MANILA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t1978084/aaaaacwl.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: abffdc5f-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Page Count: 1
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Reference: 78 MANILA 14668
Retention: 0
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Review Content Flags:
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Review Exemptions: n/a
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SAS ID: 1667684
Secure: OPEN
Status: NATIVE
Subject: PHILIPPINE TAX ON CAPITAL GAINS FROM SALE OF STOCK SHARES
TAGS: EFIN, RP
To: STATE
Type: TE
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Review Markings:
Sheryl P. Walter
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